

(This notice has been translated from the original notice in Japanese. In the event of any discrepancy, the original in Japanese shall prevail.)

February 3, 2021

Name of Company: Sanshin Electronics Co., Ltd.

Representative: Toshiro Suzuki (Representative Director, COO)

(Code No. 8150 Listed in the First Section of the Tokyo Stock Exchange)

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For Immediate Release:

Notice Regarding the New Medium-Term Management Plan

On May 27, 2020, the Company withdrew the quantitative targets (ordinary profit of ¥3 billion and ROE of 5%) of the V70 Medium-Term Management Plan to be concluded in the Company's 70th Term (fiscal year ending March 31, 2021). This decision was mainly due to the uncertain impact of the COVID-19 global pandemic on the Group's business results, and also due to the dealership agreement with Renesas Electronics Corporation, which was a main supplier of the Company, being cancelled as of June 30, 2020. After the withdrawal, the Company focused on the qualitative target of strengthening business capabilities.

At that time, the Company stated that a medium-term management plan with new quantitative targets would be disclosed as soon as it had been formulated. Now, the Company is announcing the following overview of the new medium-term management plan to be concluded in the Company's 73rd Term (fiscal year ending March 31, 2024). Details on the new medium-term management plan will be disclosed at the time of announcing business results for the fiscal year ending March 31, 2021.

Details

1. Quantitative target

The Company recognizes ROE and ordinary profit as important management indices, and will strive to quickly achieve an ROE of 5%.

2. Measures for achieving the target

1) Improve profitability through business structure reform and expand business in growth markets

(1) In the device business, we will rebuild profits by concentrating on growth markets, and will improve our profit structure by increasing efficiency and streamlining existing businesses.

(2) In the solution business, we will strengthen our cloud business based on the Sanshin Data Center, and will seek to expand our business domain through technological capability and collaboration with partners.

2) Improvement of capital efficiency

Regarding capital efficiency, we will reduce assets (liquidation of receivables, reduction of strategically held shares, etc.) and consider optimizing capital in conjunction with improving profitability through business structural reforms. Furthermore, while maintaining financial soundness, we will consider increasing dividends, acquiring treasury stock, and canceling treasury stock within the period of the new medium-term management plan.